

**ASSEMBLY BILL**

**No. 301**

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**Introduced by Assembly Member Pan**

February 9, 2011

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An act to amend Section 14094.3 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 301, as introduced, Pan. Medi-Cal: managed care.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, pursuant to which medical benefits are provided to public assistance recipients and other low-income persons. Existing law provides for the department to enter into contracts with managed care systems, hospitals, and prepaid health plans for the provision of various Medi-Cal benefits. Existing law prohibits services covered by the California Children's Services program (CCS) from being incorporated into a Medi-Cal managed care contract entered into after August 1, 1994, until January 1, 2012, except with respect to contracts entered into for county organized health systems in specified counties.

This bill would extend to January 1, 2018, the termination of the prohibition against CCS covered services being incorporated into a Medi-Cal managed care contract entered into after August 1, 1994.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 14094.3 of the Welfare and Institutions Code is amended to read:

14094.3. (a) Notwithstanding this article or Section 14093.05 or 14094.1, CCS covered services shall not be incorporated into any Medi-Cal managed care contract entered into after August 1, 1994, pursuant to Article 2.7 (commencing with Section 14087.3), Article 2.8 (commencing with Section 14087.5), Article 2.9 (commencing with Section 14088), Article 2.91 (commencing with Section 14089), Article 2.95 (commencing with Section 14092); or either Article 2 (commencing with Section 14200), or Article 7 (commencing with Section 14490) of Chapter 8, until January 1, ~~2012~~ 2018, except for contracts entered into for county organized health systems or Regional Health Authority in the Counties of San Mateo, Santa Barbara, Solano, Yolo, Marin, and Napa.

(b) Notwithstanding any other provision of this chapter, providers serving children under the CCS program who are enrolled with a Medi-Cal managed care contractor but who are not enrolled in a pilot project pursuant to subdivision (c) shall continue to submit billing for CCS covered services on a fee-for-service basis until CCS covered services are incorporated into the Medi-Cal managed care contracts described in subdivision (a).

(c) (1) The department may authorize a pilot project in Solano County in which reimbursement for conditions eligible under the CCS program may be reimbursed on a capitated basis pursuant to Section 14093.05, and provided all CCS program's guidelines, standards, and regulations are adhered to, and CCS program's case management is utilized.

(2) During the time period described in subdivision (a), the department may approve, implement, and evaluate limited pilot projects under the CCS program to test alternative managed care models tailored to the special health care needs of children under the CCS program. The pilot projects may include, but need not be limited to, coverage of different geographic areas, focusing on certain subpopulations, and the employment of different payment and incentive models. Pilot project proposals from CCS program-approved providers shall be given preference. All pilot

1 projects shall utilize CCS program-approved standards and  
2 providers pursuant to Section 14094.1.

3 (d) (1) The department shall submit to the appropriate  
4 committees of the Legislature an evaluation of pilot projects  
5 established pursuant to subdivision (c) based on at least one full  
6 year of operation.

7 (2) The evaluation required by paragraph (1) shall address the  
8 impact of the pilot projects on outcomes as set forth in paragraph  
9 (4) and, in addition, shall do both of the following:

10 (A) Examine the barriers, if any, to incorporating CCS covered  
11 services into the Medi-Cal managed care contracts described in  
12 subdivision (a).

13 (B) Compare different pilot project models with the  
14 fee-for-service system. The evaluation shall identify, to the extent  
15 possible, those factors that make pilot projects most effective in  
16 meeting the special needs of children with CCS eligible conditions.

17 (3) CCS covered services shall not be incorporated into the  
18 Medi-Cal managed care contracts described in subdivision (a)  
19 before the evaluation process has been completed.

20 (4) The pilot projects shall be evaluated to determine whether:

21 (A) All children enrolled with a Medi-Cal managed care  
22 contractor described in subdivision (a) identified as having a CCS  
23 eligible condition are referred in a timely fashion for appropriate  
24 health care.

25 (B) All children in the CCS program have access to coordinated  
26 care that includes primary care services in their own community.

27 (C) CCS program standards are adhered to.

28 (e) For purposes of this section, CCS covered services include  
29 all program benefits administered by the program specified in  
30 Section 123840 of the Health and Safety Code regardless of the  
31 funding source.

32 (f) Nothing in this section shall be construed to exclude or  
33 restrict CCS eligible children from enrollment with a managed  
34 care contractor, or from receiving from the managed care contractor  
35 with which they are enrolled primary and other health care  
36 unrelated to the treatment of the CCS eligible condition.